Pipeline Projects of HPCL

1955. SHRI YERRA NARAYANASWAMY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Board of Directors of Hindustan Petroleum Corporation Limited has cleared all its pipeline projects being undertaken;

(b) if so, the number of such pipeline projects underway;

(c) when were such clearances given;

(d) whether Government Directors are also on such boards;

(e) whether it is a fact that many projects thus cleared are low-paying and low dividend projects; and

(f) the steps proposed to scrap such projects?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) to (c) HPCL are currently implementing Visakhapatnam-Vijayawada Pipeline. After the project was approved by the Board of Directors of the Company, the investment approval was accorded in June, 1995 by Government.

(d) Yes, Sir.

(e) The Visakhapatnam-Vijayawada Pipeline Project envisages financial return at 15.7%, which is higher than the Oil Costs Review Committee norms of 12% post-tax return on networth.

(f) Does not arise.

Setting up of Oil Based Plants

1956. SHRI PREM CHAND GUPTA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that though Govenment have signed contracts with several IPP's for setting up oil based plants, uncertainty still exists because no viable guarantees have been given for the stable supply of oil; and

(b) if so, how does Govenment expect these projects to go through?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) and (b) The model fuel supply agreement is under finalisation. Discussions are on with IPPs, project lenders including Indian Financial Institutions and Ministry of Power on the basis of a draft model FSA, which includes guarantees.

Clearance to Enron for Import of Naphtha

1957. SHRI PREM CHAND GUPTA: Will the Minister of PETROLEUM AND NATURLA GAS be pleased to state:

(a) whether it is a fact that though ENRON has been given permission to import Naphtha directly, while other IPP's have not been given this clearance: and

(b) if so, why?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) and (b) M/s Dhabol Power Company was granted permission initially to import Distillate Fuel as a transition fuel for its gas-based power project at Dhabol (Maharashtra). On consideration of the request of the company, the company was given permission for importing and landing naphtha for use as a fuel in addition to the import of distillate fuel for the project, subject to the company not using infrastructure facilities of the public sector oil companies and existing Port infrastructure. Based on this permission from Ministry of Petroleum and Natural Gas, the company can import Naptha after obtaining the licence from Directorate General of Foreign Trade.

Under the present policy of development of power generation capacity on the